

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY KINGSTON FLASH

C O N F I D E N T I A L STATE 175327

EXDIS, FOR AMBASSADOR

E.O. 11652: GDS

TAGS: PFOR, JM

SUBJECT: SEC REPORT ON ALCOA PAYMENTS ABROAD

1. TEXT OF NEW YORK TIMES ARTICLE CONCERNING ALCOA PAYMENTS ABROAD SENT TO YOU SEPTTEL.

2. WE UNDERSTAND THAT COUNTRY CONCERNED IS JAMAICA AND AMBASSADOR, NOW DECEASED, WAS AMBASSADOR DEROULET. AS INDICATED IN NYT STORY, NEITHER SEC NOR ALCOA HAVE YET DIVULGED IDENTITY OF COUNTRY OR AMBASSADOR. HOWEVER, WE ANTICIPATE THAT IT IS ONLY A MATTER OF TIME UNTIL THOSE FACTS ARE REVEALED.

3. YOU SHOULD INFORM MANLEY AS SOON AS POSSIBLE ON A VERY CONFIDENTIAL

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CONFIDENTIAL BASIS RPT ON A VERY CONFIDENTIAL BASIS THAT

JAMAICA IS COUNTRY REFERRED TO IN NYT STORY AND DEROULET THE AMBASSADOR. YOU SHOULD MAKE FOLLOWING POINTS:

A. IF DEROULET ACTED AS REPORTED IN NYT STORY, HE DID SO WITHOUT THE KNOWLEDGE OF THE DEPARTMENT OF STATE AND HE WAS ACTING WITHOUT INSTRUCTIONS.

B. AS MANLEY IS AWARE, ALCOA MADE SUCH POLITICAL PAYMENTS IN PAST TO BOTH RPT BOTH PARTIES IN JAMAICA.

C. ACCORDING TO THE REPORT FILED WITH THE SEC, THERE IS NO EVIDENCE THAT THE ALCOA CONTRIBUTIONS WERE A BRIBE OR IN ANY WAY IMPROPER. WE UNDERSTAND SUCH CORPORATE POLITICAL CONTRIBUTIONS WERE LEGAL UNDER JAMAICAN LAW AT THE TIME THEY WERE MADE.

D. WE UNDERSTAND THAT OTHER COMPANIES OPERATING IN JAMAICA HAVE ALSO MADE PAYMENTS TO POLITICAL PARTIES. KAISER ALUMINUM, FOR EXAMPLE, ISSUED A PRESS RELEASE JUNE 10 STATING THAT CONTRIBUTIONS HAD BEEN MADE TO BOTH POLITICAL PARTIES.

4. IF QUERIED BY PRESS, YOU SHOULD DRAW ON FOLLOWING GUIDELINES, WHICH WERE PREPARED FOR USE OF PRESS SPOKESMAN HERE:

QUOTE QUESTION: THIS MORNING THERE ARE PRESS REPORTS THAT AN UNIDENTIFIED UNITED STATES AMBASSADOR ALLEGEDLY SOLICITED DOLS 25,000 FROM THE ALUMINUM COMPANY OF AMERICA THAT APPARENTLY WAS PAID TO OFFICIALS AND POLITICAL PARTIES OF A FOREIGN COUNTRY. WHAT DOES THE DEPARTMENT KNOW ABOUT THIS?

ANSWER: THE DEPARTMENT OF STATE HAS RECEIVED FROM THE SECURITIES AND EXCHANGE COMMISSION A COPY OF THE DRAFT REPORT FILED BY ALCOA WHICH IS REFERRED TO IN THE PRESS REPORT. WE ARE LOOKING INTO THIS AND I CAN SAY THAT THE DEPARTMENT OF STATE HAS FOUND NO RECORD AND NO INDEPENDENT CORROBORATION OF THESE TRANSACTIONS. WE HAVE NOTHING THAT WOULD SUGGEST THAT IF ANY SUCH STEP WAS TAKEN
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BY ANY UNITED STATES AMBASSADOR THAT IT WAS DONE WITH THE KNOWLEDGE OR APPROVAL OF THE DEPARTMENT OF STATE. WE NOTE THE STATEMENT IN THE 8-K REPORT FILED WITH THE SEC THAT POLITICAL CONTRIBUTIONS IN THE COUNTRY CONCERNED ARE LEGAL.

Q: CAN WE ASSUME FROM WHAT YOU HAVE SAID YOU KNOW THE COUNTRY IN QUESTION? WHAT IS IT?

A: YES, WE KNOW THE COUNTRY, BUT AS I SAID WE ARE LOOKING INTO THE MATTER AND IT WOULD NOT BE APPROPRIATE TO COMMENT FURTHER AT THIS TIME.

Q: WHEN DID YOU LEARN OF THE SEC REPORT?

A: WE LEARNED OF IT EARLIER THIS MONTH.

Q: HAVE YOU DISCUSSED IT WITH THE COUNTRY INVOLVED?

A: I REPEAT WE ARE LOOKING INTO THE MATTER AND DO NOT WISH TO COMMENT FURTHER AT THIS TIME. UNQUOTE
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